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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

MAILED

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GROUP 3600

Application Number: 09/688,694
Filing Date: October 17, 2000
Appellant(s): LEFEBVRE ET AL.

Yisun Song
Reg. No. 44,487
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed March 13, 2007 appealing from the Office action mailed September 8, 2006.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings, which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

5,882,410	McCausland et al.	10-1998

Gasner, Steve. "Forging a Link Between Retention and Profits." April 1992. *Credit Card Management.* Vol. 5, Iss. 1, pp. 84-88.

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 19, 22-29, and 32-38 are rejected under U.S.C. 103(a) as being unpatentable over McCausland (Patent Number 5,882,410 hereinafter McCausland) in view of the article titled "Forging a Link Between Retention and Profits" by Steve Gasner, published in *Credit Card Management* in April 1992 in volume 5, issue 1, and page 84 (hereinafter Gasner).

In reference to claims 19, McCausland teaches a computer implemented method (i.e. a churn amelioration method) and system for providing one or more tailored incentives to a customer in response to a customer request (i.e. reactive), the computer implemented method and system comprising the steps of: receiving a request from a customer (i.e. a customer initiated reactive request) wherein the request is received by a provider or provider representative (i.e. ORU) (abstract, col. 3 lines 62-65, col. 11 lines 40-46, col. 14 lines 1-6, col. 15 lines 1-4, and Figure 7), retrieving account data associated with the customer in response to the request where the account data is

displayed on a graphical user interface (col. 3 lines 66 to col. 4 lines 49, col. 13 lines 15-29, and Figures 1 and 11), wherein the account data is verified for the customer (col. 5 lines 49-54 and col. 11 lines 40-51), identifying the request as a request type from a list of predetermine request types (i.e. what type of a problem a customer is experiencing) (col. 8 lines 49 to col. 9 lines 54 and Table 2), at a type module, where the request type identifies the customer's current situation (col. 4 lines 17-22, col. 8 lines 49 to col. 9 lines 54, Table 2, and Figure 11); identifying the customer as a customer segment (i.e. based on a vulnerability factor), at a customer segment module, where the customer segment identifies the customer's past behavior (col. 4 lines 17-33, col. 5 lines 55-col. 7 lines 20, col. 13 lines 15-29, and Figure 11), identifying one or more incentives at an incentive module based on the request type (i.e. problem type) at the customer segment and one or more profitability factors (i.e. customer worth or value) associated with the provider of the one or more incentives, and offering the customer at least one of the identified one or more incentives for retaining the customer in response to the request (col. 13 lines 15-29 and 53-67, Table 1, and Figures 11 and 12), wherein the request is a request to terminate a relationship with the provider (i.e. contract end is one of the problem factors for which customers call ORU's) (col. 8 lines 49 to col. 9 lines 54, col. 13 lines 15-29, col. 14 lines 44 to col.15 lines 4, Table 2, and Figure 11); wherein the steps of identifying the request as a request type (i.e. what type of a problem a customer is experiencing) (col. 8 lines 49 to col. 9 lines 54 and Table 2), identifying the customer as a customer segment (i.e. how vulnerable is the customer, what's the customer worth (col. 10 lines 62-64 and col. 13 lines 53-67), and how serious are the

customer problems is the type of information that can be utilized to segment customers) (col. 12 lines 4-63), and identifying one or more incentives are performed in response to the step of receiving a request from a customer (i.e. based on what type of a problem reports he is having by calling, solutions such as free minutes or a free battery pack may be offered) (col. 13 lines 53-60 and col. 14 lines 22-27).

McCausland does not teach the method wherein the one or more incentives comprise a product or service offered by a financial institution. Gasner teaches the customer retention method wherein the one or more incentives comprise a product offered by a financial institution (page 3 lines 18-21). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify McCausland to include providing products offered by a financial institution as retention incentives if McCausland's method was implemented to solve the retention problem for a financial services company instead of a cellular company, since at that time, financial services incentives would be more valuable retention tools to those customers rather than cellular services related incentives.

In reference to claims 29, McCausland teaches a computer-implemented system (i.e. a churn amelioration system) for providing one or more tailored incentives to a customer in response to a customer request (i.e. reactive), the computer implemented system comprising: a graphical user interface that displays account data associated with a customer (Figure 11), in response to a request from a customer (i.e. a customer initiated reactive request), wherein the request is received by a provider or provider representative (i.e. ORU) (abstract, col. 3 lines 62-65, col. 11 lines 40-46, col. 14 lines

1-6, col. 15 lines 1-4, and Figure 7) and wherein the account data is verified for the customer (col. 5 lines 49-54 and col. 11 lines 40-51), a type module for identifying the request as a request type from a list of predetermine request types (i.e. what type of a problem a customer is experiencing) (col. 8 lines 49 to col. 9 lines 54 and Table 2), where the request type identifies the customer's current situation (col. 4 lines 17-22, col. 8 lines 49 to col. 54, Table 2, and Figure 11), a customer segmentation module for identifying the customer as a customer segment (i.e. based on a vulnerability factor), where the customer segment identifies the customer's past behavior (col. 4 lines 17-33, col. 5 lines 55-col. 7 lines 20, col. 13 lines 15-29, and Figure 11), and an incentive module for identifying one or more incentives based on the request type (i.e. problem type), the customer segment and one or more profitability factors (i.e. customer worth or value) associated with a the provider of the one or more incentives and wherein the customer is offered at least one of the identified one or more incentives for retaining the customer in response to the request (col. 13 lines 15-29 and 53-67, Table 1, and Figures 11 and 12), wherein the request is a request to terminate a relationship with the provider (i.e. contract end is one of the problem factors for which customers call ORU's) (col. 8 lines 49 to col. 9 lines 54, col. 13 lines 15-29, col. 14 lines 44 to col.15 lines 4, Table 2, and Figure 11); wherein the steps of identifying the request as a request type (i.e. what type of a problem a customer is experiencing) (col. 8 lines 49 to col. 9 lines 54 and Table 2), identifying the customer as a customer segment (i.e. how vulnerable is the customer, what's the customer worth, and how serious are the customer problems is the type of information that can be utilized to segment customers) (col. 12 lines 4-63),

and identifying one or more incentives are performed in response to the step of receiving a request from a customer (i.e. based on what type of a problem reports he is having by calling, solutions such as free minutes or a free battery pack may be offered) (col. 13 lines 53-60 and col. 14 lines 22-27).

McCausland does not teach the system wherein the one or more incentives comprise a product or service offered by a financial institution. Gasner teaches the customer retention method wherein the one or more incentives comprise a product offered by a financial institution (page 3 lines 18-21). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify McCausland to include providing products offered by a financial institution as retention incentives if McCausland's method was implemented to solve the retention problem for a financial services company instead of a cellular company, since at that time, financial services incentives would be more valuable retention tools to those customers rather than cellular services related incentives.

In response to claims 22 and 32, McCausland teaches the method and system wherein the step of identifying the customer as a customer segment, further comprises the step of: assigning a value (i.e. a customer worth and value) to the customer based on at least one of customer payment history (i.e. non-payment indicator), customer payment habit (i.e. past due amount and days), customer behavior data (i.e. past due amount and days and non-payment indicator) and credit bureau score (i.e. customer worth factors) (col. 9 lines 59 to col. 10 lines 35, col. 12 lines 16-25, Table 3, and Figures 6 and 11).

In response to claims 23 and 33, McCausland teaches the method and system wherein the step of identifying the customer as a customer segment, further comprises the step of: considering information related to at least one of customer delinquency (i.e. a debt on which payment is overdue as indicated by past due amount and days and a non-payment indicator) (col. 9 lines 61 to col. 10 lines 2 and Table 3) data and customer attrition data.

In response to claims 24 and 34, McCausland teaches the method and system further comprising the step of: offering the customer another one (i.e. multiple offers may be presented) of the identified one or more incentives for retaining the customer in response to the request (col. 13 lines 15-29 and 53- to col. 14 lines 14, and Figures 11 and 12).

In response to claims 25 and 35, McCausland teaches the method and system wherein the step of identifying one or more incentives further comprises the step of: applying one or more restrictions on the one or more incentives based on the one or more profitability factors (i.e. selected offers are presented based on the value associated with the customer and more lucrative offers are presented to more valuable customers) (abstract, col. 13 lines 53 to col. 14 lines 14, and Figure 12).

In response to claims 26 and 36, McCausland teaches the method and system wherein the request comprises one or more of a telephone call (i.e. either the customer calls or the ORU proactively calls the customer) (col. 3 lines 60-65, col. 11 lines 42-44, and col. 14 lines 3-6) and Internet communication.

In response to claims 27 and 37, McCausland teaches the method and system wherein the one or more profitability factors comprise one or more of customer payment delinquency (i.e. a debt on which payment is overdue as indicated by past due amount and days) (col. 9 lines 61 to col. 10 lines 2 and Table 3) and customer ability to pay (i.e. non-payment indicator) (Table 3).

In response to claims 28 and 38, McCausland teaches the method and system wherein the step of identifying the request further comprising the step of: identifying a product associated with the customer (i.e. the handset of the cellular phone) (col. 5 lines 40-54 and col. 11 lines 44-51), wherein the one or more incentives comprises an adjustment to the product (i.e. an adjustment to the cellular phone unit or an adjustment to the offer based on the value of the customer) (abstract, col. 9 lines 16-22, col. 13 lines 53 to col. 14 lines 14, and Figure 12).

In response to claims 21 and 31, McCausland does not teach the method and system wherein the one or more incentives comprise a product offered by a financial institution. Gasner teaches the customer retention method wherein the one or more incentives comprise a product offered by a financial institution (page 3 lines 18-21). It would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify McCausland to include providing products offered by a financial institution as retention incentives if McCausland's method was implemented to solve the retention problem for a financial services company instead of a cellular company, since at that time, financial services incentives would be more valuable retention tools to those customers rather than cellular services related incentives.

(10) Response to Argument

In reference to claims 19, 22-29, and 32-38, Applicant argues on pages 7-30 of the appeal brief that McCausland does not teach the steps of "identifying the request as a request type from a list of predetermined request types." The Examiner respectfully disagrees and would like to point the Applicant to col. 8 lines 49 to col. 9 lines 54 and Table 2 where it is indicated in a list of what type of a problem a customer is experiencing, and this list can be pulled up by the agent in response to a customer call regarding a problem for which the customer is seeking a resolution. Furthermore, McCausland teaches a reactive identification where a customer calls (i.e. so a customer can make a request to terminate a relationship with the provider) and a program can help the customer service representative determine the most pressing customer problems as disclosed in col. 11 lines 40-46, col. 12 lines 42-52, and Table 2. Applicant's argument that "a customer either allows a contract to lapse thereby automatically terminating the contract or the customer will sign up for another term, " is not complete, since a customer of a cell phone company frequently calls the provider when his contract is about to end to seek out a better deal, gain information on new contracts, and to prevent being automatically being locked into a new contract without having the opportunity to shop around. Furthermore, customers also call to cancel their contract to move to different providers while keeping the same mobile numbers. So, the two reasons given by the Applicant, while may be true, they are not exhaustive.

Applicant also argues that McCausland does not teach "identifying one or more incentives, at an incentive module, based on the request type, the customer segment

and one or more profitability factors associated with the provider of the one or more incentives" and that there is no mention of basing the incentive on the combination of these three elements. The Examiner respectfully disagrees would like to point the Applicant to col. 8 lines 49 to col. 9 lines 54 and Table 2 for a disclosure of the steps of identifying the request as a request type (i.e. what type of a problem a customer is experiencing), to col. 12 lines 4-63 for identifying the customer as a customer segment (i.e. how vulnerable is the customer, what's the customer worth, and how serious are the customer problems is the type of information that can be utilized to segment customers), and to col. 13 lines 53-60 and col. 14 lines 22-27 for identifying one or more incentives that are performed in response to the step of receiving a request from a customer (i.e. based on what type of a problem reports he is having by calling, solutions such as free minutes or a free battery pack may be offered) and based on customer profitability as disclosed in col. 10 lines 62-64 and col. 13 lines 53-67. Therefore, McCausland specifically teaches the combination of request type, customer segment, and profitability factors in determining incentives. Furthermore, if the Applicant intended to claim that first an incentive is determined based on the request type, then the list of potential incentives is filtered based on customer segment, and thirdly the list is filtered based on one ore more of the profitability factors, the Applicant needed to have claimed the sequence of the steps.

Applicant also argues that McCausland fails to disclose at least "wherein the one or more incentives comprises at least one product or service offered by a financial institution" and that the Office Action has failed to provide proper motivation for

combining McCausland and Gasner. The Applicant also states that the Office Action fails to explain why one of ordinary skill in the art would have been motivated to make the proposed substation absent of improper hindsight. The Examiner respectfully disagrees with the Applicant for several reasons. First of all, the function of both the McCausland and the Gasner references is to retain customer loyalty similar to the function of the Applicant's proposed invention. Secondly, incentives are typically based on the product or service at hand to make that product or service cheaper and thereby more attractive to the consumer. Again, both of the prior art references and the Applicant's proposed invention seek to offer incentives to make the product or service cheaper and more attractive for the consumer. Examiner's motivation for combining McCausland and the Gasner references is that it would have been obvious to a person of ordinary skill in the art at the time of the applicant's invention to modify McCausland to include providing products offered by a financial institution as retention incentives if McCausland's method was implemented to solve the customer retention problem for a financial services company instead of a cellular company, since in that situation, financial services incentives would be more valuable retention tools to those customers rather than cellular services related incentives that would be more valuable to cellular services customers. Therefore, there is proper motivation to combine the references, and one of ordinary skill in the art would have been motivated to make the proposed, absent of hindsight especially since the two prior art references are concerned with retaining customer loyalty for the company's respective product or service, and the

incentive would thereby need to be geared towards reducing the price of that particular product or service.

In response to applicant's argument that there motivation to combine references must come from the teachings of the prior art to avoid impermissible hindsight looking back at the time of the invention, the Examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, obviousness is established by combining McCausland's teachings with the motivation found in the knowledge generally available to one of ordinary skill in the art. Specifically, it would be obvious to offer incentives to reduce the price of the product or service being sold by an entity to make it more enticing for the customers to try out a product or service or to retain customer loyalty. So, it would be obvious to alter the incentives from free minutes for example to an interest rate reduction when applying the method to a cellular phone customer versus a banking customer, since the respective incentive will be more relevant and targeted to the user of the respective product or service.

In reference to claims 22 and 32, the Applicant argues that McCausland does not teach assigning a value to the customer based on at least one of customer payment history, customer payment habit, customer behavior data and credit bureau score. The

Examiner respectfully disagrees and would like to point the Applicant to (col. 9 lines 59 to col. 10 lines 35, col. 12 lines 16-25, Table 3, and Figures 6 and 11, where it is disclosed that a customer value is determined based on non-payment indicator and past due amount and days.

In reference to claims 23 and 33, the Applicant argues that McCausland does not teach considering information related to at least one of customer delinquency data and customer attrition data. The Examiner respectfully disagrees and would like to point the Applicant to col. 9 lines 61 to col. 10 lines 2 and Table 3 where a debt on which payment is overdue as indicated by past due amount and days and a non-payment indicator are disclosed.

In reference to claims 24 and 34, the Applicant argues that McCausland does not teach offering the customer another one of the identified one or more incentives for retaining the customer in response to the request. The Examiner respectfully disagrees and would like to point the Applicant to col. 13 lines 15-29 and lines 53 to col. 14 lines 14 and Figures 11 and 12, where it is disclosed that multiple offers to customers may be presented.

In reference to claims 25 and 35, the Applicant argues that McCausland does not teach applying one or more restrictions on the one or more incentives based on the one or more profitability factors. The Examiner respectfully disagrees and would like to point the Applicant to the abstract, col. 13 lines 53 to col. 14 lines 14 and Figure 12, where it is disclosed that selected offers are presented based on the value associated with the customer and more lucrative offers are presented to more valuable customers.

In reference to claims 26 and 36, the Applicant argues that McCausland does not teach the request comprising one or more of a telephone call and Internet communication. The Examiner respectfully disagrees and would like to point the Applicant to col. 3 lines 60-65, col. 11 lines 42-44, and col. 14 lines 3-6, where it is disclosed that either the customer calls or the ORU proactively calls the customer using a telephone.

In reference to claims 27 and 37, the Applicant argues that McCausland does not teach the one or more profitability factors comprising one or more of customer payment delinquency and customer ability to pay. The Examiner respectfully disagrees and would like to point the Applicant to col. 9 lines 61 to col. 10 lines 2 and Table 3, where it is disclosed that a debt on which payment is overdue as indicated by past due amount and days.

In reference to claims 28 and 38, the Applicant argues that McCausland does not teach identifying a product associated with the customer, wherein the one or more incentives comprises an adjustment to the product. The Examiner respectfully disagrees and would like to point the Applicant to col. 5 lines 40-54 and col. 11 lines 44-51, where a handset of the cellular phone is disclosed as being identified and to the abstract, col. 9 lines 16-22, col. 13 lines 53 to col. 14 lines 14, and Figure 12, where it is disclosed that an adjustment to the cellular phone unit or an adjustment to the offer can be made based on the value of the customer.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

NB

NB

Conferees:

Eric Stamber

Raquel Alvarez